

Minutes of a Meeting of the Board of Directors
of South Bank University Enterprises Ltd
Held at 4.30pm on Tuesday 26 March 2013
in Room 1B27, Technopark, London Road, London SE1

Present

James Smith Chairman
Julian Beer
Richard Flatman Via conference call
Tim Gebbels
Beverley Jullien

In attendance

Richard Thomson LSBU Solicitor
Rebecca Warren Accountant for South Bank University Enterprises Ltd.
Keith Would Reporting Business Support Manager PVC External
Natalie Boyce Programme Support officer

Welcome and Apologies

1. The Chair welcomed Julian Beer to his first meeting as a non-executive director.
2. The Board noted that James Stevenson (Company Secretary) had sent his apologies and that Richard Thomson was representing him at the meeting.
3. The Chair welcomed Natalie Boyce to the meeting as minute taker.

Declarations of Interest

4. Tim Gebbels declared an interest in the item on the pension scheme (paper UE.06(13)).

Disclosure of Interests declarations

5. The Board authorised the declared interests of Julian Beer and Tim Gebbels (paper **UE.01(13)**).

Minutes of the meeting of 9 November 2012

6. The Board approved the minutes of the meeting of 9 November 2012.

Matters Arising

Group policies

7. The Board approved the group policies circulated following the meeting of 9 November 2012 (paper **UE.02(13)**) (policies cover health and safety, fire safety, business continuity management, driving at work, gifts and hospitality, anti-fraud; bribery, speak up; and risk management).
8. The Board noted that an SBUEL Scheme of Delegation had previously been approved by the Board at its special meeting of 19 July 2012 as part of the changes to SBUEL governance and that subsequently, at its meeting on 14 September 2012, the Board had noted the Letter of Delegated Authority issued to the Director of Enterprise.
9. The Board noted that the SBUEL HR policy had previously been approved at its meeting of 26 June 2012.

CEO's business update

10. The Board noted an update from the CEO, covering the current financial position, an update on the dissolution of LKIC, an update on the ACCA Programme, the re-launch of the Knowledge Transfer Program, and the forward strategy and developing pipeline of major income generating projects.
11. The Board noted that the forward strategy and pipeline development needed to be developed into a full presentation for the University's Board of Governors in May and advised on the structure of this. The Board asked to have a rehearsal of the presentation at a special meeting not less than two weeks before the Governors meeting.

SBUEL Projects

12. The Board noted an update on SBUEL projects (paper **UE.03(13)**). The Board noted that papers on the five significant SBUEL projects were not available for presentation at the meeting and noted the reasons for this. The Board agreed to receive the papers at a future meeting and noted the process described for the preparation of the papers.
13. The Board noted a financial update of the projects which set out the annual income and expenditure for each project over its lifetime as well as the forecast total income and expenditure to the project end of life. The Board noted that, although some projects were seen to be lossmaking over their entire lifetime due to the internal recharge, in all cases they made a positive contribution.

14. The Board noted the substantial deferred income held on the balance sheet both from these five projects and more generally and agreed that the accounting treatment of income could impede clear understanding of the financial performance of projects. The Board agreed that, where appropriate (depending on the extent of remaining long-term commitments within projects), the deferred income should be released in the current financial year.
15. The Chair expressed concern regarding project management and control. The Board noted that there was on-going work in the University to look at how this can be improved.
16. The LSBU solicitor updated the Board on current class action in America against FitFlop, a company to which SBUEL has provided commercial research and consultancy services (one of the five major projects). Although legal advice is that the risk of action against either LSBU or SBUEL by FitFlop or any other party is very low, the University is seeking a waiver of liability from FitFlop prior to agreeing to give evidence on their behalf in the case.

Enterprise Centre

17. The Board noted the progress being made in preparing for the opening of the Enterprise Centre in September (paper **UE.04(13)**).

Management Accounts

18. The Board noted the management accounts to 28 February 2013 (paper **UE.05(13)**). The Board agreed that the new management accounts provided a significant step forward in the presentation of enterprise related income and expenditure across the University. The Board asked for further cleansing of the data in the accounts to be undertaken as proposed and asked for year to date figures and variances to be added to the front summary sheet. Subject to these changes, the Board agreed to adopt the new accounts as standard.

Pension scheme

19. The Board discussed the proposed defined contribution pension scheme (paper **UE.06(13)**). The scheme had been approved for University's Board of Governors and the intention is to also make the scheme available to SBUEL employees.
20. The Chairman sought and received assurance that appropriate bench marking of costs and due diligence on the security of invested funds had been undertaken when selecting the proposed scheme.
21. The Board approved the proposed pension scheme.

22. It was noted that the interim arrangements implemented for SBUEL staff until the new scheme comes into force are actually written into existing employment contracts and that these arrangements provide for a 5% company contribution without requiring any employee contribution. The Board noted that the transition from the current contractual arrangements to the new scheme will need to be managed carefully and sensitively.

Recruitment of Non-Executive Directors

23. The Board discussed the proposed candidates for the non-executive director vacancy on the Board (paper **UE.07(13)**).

24. After due consideration of the skills matrix and the skills required on the Board, it was agreed that Sahar Hashemi should be approached to discuss the role with the Chairman and CEO.

25. It was noted that any future expansion of the number of non-executive directors would require approval by the University's Board of Governors. Following Sahar Hashemi's acceptance of the position, the Board would review the need to add further non-executive directors. In the event that further expansion is agreed, the Board would consider additional nominations.

Internal Audit report on University Enterprise

26. The Board discussed a draft internal audit report on University Enterprise (paper **UE.08(13)**). In particular, they acknowledged the finding that there needs to be greater alignment of objectives and incentives between University Enterprise and the Faculties. The Board noted that University Enterprise was rated as medium risk and that the University Audit Committee would consider the report in detail.

27. The Board noted the findings regarding the treatment of project income and the need for improved project control to ensure that income is released once conditions of entitlement have been met.

Risk Register

28. The Board noted the risk register (paper **UE.09(13)**) and requested an updated version to be circulated to the Board.

Any Other Business

29. *Spotlight*, a new University publication aimed at external stakeholders, was tabled. The Board agreed to review the content and provide suggestions.

Date of next meeting

30. The date of the next meeting was noted as 27 June 2013.

There being no further business, the Chairman closed the meeting.

Approved as a true record:

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Chairman

SBUEL Board Meeting – Action Sheet

26 March 2013

Minute	Action	By Whom	Status
11.	Rehearsal of University Board presentation	CEO	Completed
18.	Year to date figures and variances to be added to the front summary sheet of future management accounts	Accountant	
24.	Approach Sahar Hashemi for the vacant NED position	CEO	Completed – Sahar declined the position
28.	Updated risk register to be sent to the Board	Sec	Completed